GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:408
ANSWERED ON:22.02.2006
COAL SUPPLY TO SMALL AND MEDIUM INDUSTRIES
Chaure Shri Bapu Hari;Dhotre Shri Sanjay Shamrao

Will the Minister of COAL be pleased to state:

(a) whether small and medium industries are facing acute shortage of coal;

(b) if so, the details thereof and the reasons therefor;

(c) whether such small and medium industries which were set up in large numbers particularly in the coal producing States in the recent past are meeting their requirements by purchasing the coal from the market at a rate which is three times more than the rate being paid by the power sector; and

(d) if so, the steps being taken or proposed to be taken to provide sufficient coal to these industries as per their demand?

Answer

THE MINISTER OF COAL (SHRI SHIBU SOREN))

(a)&(b): Yes, Sir. Small and medium industries have been facing shortage of coal supply due to increase in demand by the core sector especially Power. This supply position has, however, now improved.

(c): No, Sir. The price payable by the small and medium linked industries is determined through e-marketing rate but such prices which were initially 76% more than the notified price have now come down to 40% above the notified price. The difference between notified price and e-marketing price has been gradually coming down with the e-marketing process getting stabilised.

(d): Coal India Limited has taken initiative to increase the availability of coal to non-core sector consumers including small and medium scale industries and have accordingly earmarked a quantity of 17 million tonnes coal during 2005-06. In addition, another 20 million tonnes of coal has been approved for sale through e-marketing during 2005-06 to increase availability of coal to non-core sector consumers.

The coal earmarked for non-core sector consumers, 5 million tonnes is being distributed through State Government nominated undertakings and NCCF to those tiny/small consumers, whose requirement is less than 500 tonnes per year at floor price i.e. 20% above the notified price.